

April 8, 1996 Draft

EXHIBIT A
LIST OF MEMBERS

[List of Each Carrier or other Entity in MCAC]

April 8, 1996 Draft

EXHIBIT B

LIST OF MANAGERS

[List of Each Person(s) Who Will Serve As Representative
of Each Member - Alternate Managers Can Also Be Identified]

**Staff's Second Quarterly Report on the
Maryland Local Number Portability Consortium**

Appendix 8

Appendix 8

Disputed Cost Assumptions

LNP Cost Allocation to Other Bell Atlantic States

The estimates presented in the public version of this report reflect allocated costs to Maryland. Staff believes that the most likely scenario is that the nation and all states within the Bell Atlantic region will adopt permanent LNP using the LRN call model.

The estimates supplied by BA-MD's vendors assume some apportionment of the development cost to other RBOCs. Operations Support Systems across Bell Atlantic states have much in common. If LNP is implemented in other Bell Atlantic states there would be an allocation of OSS development costs.

BA-MD disagrees with this assumption and believes that all Bell Atlantic region permanent LNP OSS costs should be allocated only to Maryland until there is a national mandate for permanent LNP or until other states have declared their preference for LRN.

Both allocated and non-allocated Bell Atlantic region costs are shown in the Proprietary Attachment.

Exclusion of Churn Costs

BA-MD's cost estimates included the incremental "Churn" costs between the penetration assumed for RCF(20%) and the penetration assumed for permanent LNP (30%). Churn costs are the costs of customer service and other technical personnel needed to process orders. Churn costs are caused by inward and outward movements of customers due to competition. There is question as to whether churn cost is a proper cost to include in analyzing the societal cost benefits of one technology versus another. Churn would result for either technology, permanent LNP or RCF. Other marketing costs such as advertising may be incurred due to enhanced competition made possible via permanent LNP. The exercise of consumer choice or churn may be caused by competition and permanent LNP may encourage competition and make competitive service offerings more attractive. It is unclear whether this is a true incremental cost of the technology.

Exclusion of Tariffed Rates Paid for Interim RCF LNP

BA-MD provides an estimate of how much it will cost to provide RCF to CLECs. In determining "avoided RCF costs" (under permanent LNP), several carriers included the tariffed rates that they would have to pay BA-MD. Staff believes that including both BA-MD's cost estimates for RCF and the amounts paid by CLECs to BA-MD for RCF would be double counting in the cost-benefit analysis. Therefore, tariffed rates payments for RCF are excluded from the "RCF avoided costs" summary.

Keith E. Davis
Vice President - Law

PUBLIC SERVICE COMMISSION

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CELLULARONE

APR - 5 1996

TELECOMMUNICATION
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April 4, 1996

Mr. Geoffrey Waldau
Public Service Commission
6 St. Paul Centre
Baltimore, Maryland 21202-6806

Re: Maryland Local Number Portability Consortium -
Comments on Second Quarterly Report and Response to
Issues List

Dear Geoff:

This is to formalize the comments of Cellular One previously faxed to you. As expressed in those comments and in the various meetings of the Consortium, Cellular One supports the concept of Local Number Portability. Cellular One has been the only wireless carrier actively participating in the LNP Consortium activities. However, as noted by the Consortium, wireless services, and particularly cellular systems, do not currently have the capability to port numbers or otherwise participate in or receive the benefits of local number portability. Nonetheless, Cellular One continues to participate in Consortium activities because we anticipate someday having the technical capabilities to be able to port numbers and we are concerned that the LNP system be able to adapt to the entry of wireless participants without substantial additional investment in the system. Additionally, Cellular One believes it has a unique perspective to add to the Consortium activities and deliberations.

I believe you have already incorporated most of the minor changes and comments to the body of the Second Quarterly Report to the PSC that Cellular One forwarded to you. Thus, I will not repeat them here. Following are Cellular One's comments and views on the Issues List.

Initial Membership. At our recent meetings, the Consortium members had lengthy discussions about the formation and, in particular, the membership of a limited liability company ("LLC"). Cellular One is concerned that the membership language be broad enough to encompass wireless carriers should the technology develop so that wireless carriers can port numbers. However, that technology does not exist today and therefore, wireless carriers should not be compelled to join the limited liability company ("LLC") at this time.

Cellular One concurs with the language adopted at our recent meetings that membership should be open to certificated local exchange carriers that express an intent to port numbers and to other carriers that express an intent to port numbers.

Cellular One believes that there has been inadequate consideration given to the status of resellers of local or long distance services. It is unclear whether the Consortium intends for them to be able to obtain membership in the LLC and, if not, whether they will be expected to contribute to costs of LNP. Cellular One's general inclination is to vote against the suggestion raised in one of our meetings that only LLC members can access the LNP system and LLC members cannot resell access to the NPAC or an STP to others. Has this issue been resolved?

New Membership. The same language adopted for initial membership should cover any entities desiring membership after the LLC is initially formed. No vote of existing members should be required to approve new members so long as the new member applicant fulfills the requirements of membership and states to the LLC its desire to be a member. In such a situation, membership should be automatic.

Role of the PSC in the LLC. Because membership in the LLC may include non-regulated entities (such as wireless carriers), Cellular One believes undue involvement of the PSC in the workings of the LLC is unnecessary and undesirable. To the extent that the PSC Staff maintains a facilitator role in the LLC, Cellular One has no objection.

There have also been some comments that the existing Consortium would be usurped by the LLC and future activities and deliberations would be by the LLC, not the Consortium. Cellular One believes there is no need for the Consortium to be usurped by the LLC and the Consortium can still be the vehicle for consideration of issues. The LLC would simply be the contracting entity for the NPAC and SMS vendor.

There have also been suggestions at times that membership of LECs in the LLC be required by the corporate documents used in forming the LLC. in the LLC documents. Cellular One believes this would be a futile act. The appropriate manner for requiring LECs to join the LLC, if such action is deemed appropriate, is through action by the PSC as part of their certification process for LECs or their regulatory oversight of LEC activities in the state.

NPAC Exclusivity. Cellular One concurs with the Staff's position that only one vendor should be selected to provide the NPAC and related LNP functions for the state.

NPAC Vendor Bids. Cellular One concurs with the Consortium's decision to require (i) a fixed price for a three year contract, (ii) a fixed price for a five year contract, and

(iii) prices per transaction based on high and low assumptions of usage as described in the RFP. Cellular One does not object to providing vendors an option to provide additional pricing that they believe may more appropriately recover the costs they will incur or would be more attractive to entities paying for the vendor's services.

NPAC Cost Recovery. Cellular One believes that carriers that do not have the technical capability to port numbers or otherwise receive direct benefit from number portability should not be required to pay for the NPAC. As with other aspects of the LNP process, it needs to be recognized that wireless carriers will not be able to port their numbers until the technology changes. In some cases, certain wireless carriers, such as paging, may never be able to port numbers. Wireless carriers should therefore be exempted from having to pay to recover the costs of a system that does not and may never benefit them. Unlike customers of wireline carriers, wireless carriers do not have a choice about whether to port their numbers; they simply cannot do it. Therefore, even though wireline carrier customers may all have to contribute to recovery of the wireline carrier's portion of the LNP costs (because such customer could port if it wished to), wireless carriers should not have to contribute in any way. At such time as wireless carriers receive the benefit of LNP, they can begin contributing to the costs.

Although Cellular One believes exemption of wireless carriers is appropriate, to the extent another alternative accomplishes this objective until such carriers have the technical capability to port number, we would support it. Accordingly, Cellular One supports the proposal that recovery of NPAC costs be recovered on a prorata basis from carriers with numbers that can be ported. The prorata would be based on the number of port-able numbers held by the carrier divided by the total number of port-able numbers in the state held by all carriers. The allocated cost would be calculated by multiplying the prorata times the recoverable NPAC costs. Port-able numbers would include all assigned numbers to a carrier that could be ported, even though they may not yet be assigned to a customer.

Resale of NPAC Services. Cellular One agrees that carriers receiving downloads should be able to provide that information to others through providing dip capability or performing dips for others. Cellular One does not believe wireless carriers should be required to pay for such services. Calls terminating on a wireless network will not be ported and will not require porting, and consequently, will not require dips. Calls originating on a wireless network and terminating on a landline network will require dips solely because of a benefit that, at this time, the landline companies and their customers will benefit from. If wireless carriers are charged for dips, the only "benefit" their customers will receive from local exchange competition is increased charges.

Payments to the NPAC. Cellular One agrees that periodic invoices should be issued by the NPAC to carriers with port-able numbers for amounts calculated as set forth above under "NPAC Cost Recovery."

Adding a New Jurisdiction. Cellular One believes that the LNP system contracted for by the LLC should be allowed to expand its scope to accommodate additional jurisdictions. An appropriate cost allocation to such new jurisdictions should be a condition of such expansion. Another condition should be the compliance of such new jurisdiction with the terms and conditions of the LLC framework and the LNP system parameters established by this Consortium. That is, the additional jurisdiction should take the system as it exists, without significant changes. Cellular One agrees with the suggestions of some parties that this may not be an issue that needs to be resolved at this time.

Cost-Benefits. Cellular One believes even the most detailed cost estimates provided to date are so speculative as to raise serious questions about their usefulness. However, Cellular One views local number portability as an important element of a viable competitive local exchange market

Quick Implementation Via the Illinois Strategy. Cellular One concurs with the Staff that adoption of the Illinois strategy with minor modifications to accommodate the needs of Maryland is appropriate. The more specific issue raised in this section appears to be whether to adopt Bell Atlantic's position that Maryland should not proceed further with LNP implementation until a response is received to a request sent to Bellcore for suggestions on LNP implementation. Since Cellular One does not currently have the technical capability to port numbers even if an LNP system was implemented immediately, we refrain from expressing an opinion on this issue.

Cost Recovery. Cellular One's position on this topic is described under the two sections above listed as "NPAC Cost Recovery" and "Resale of NPAC Services."

Limited Liability Company. Cellular One believes that it is correct that creation of a limited liability company may provide protection to the carriers contracting for the LNP system. Comments on other issues related to this topic are described under the three sections above listed as "Initial Membership", "New Membership" and "Role of the PSC in the LLC."

Next Course of Action. Cellular One refrains from expressing an opinion on most of the issues raised by the Staff. However, Cellular One believes that the PSC should clarify its initial order and provide further direction to the Consortium on the topics addressed in the Second Quarterly Report.

Very truly yours,

A handwritten signature in dark ink, appearing to be "K. Z. Jones", is written over a horizontal line.



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Via Facsimile and Federal Express

April 1, 1996

Mr. Geoff Waldau
Maryland Public Service Commission
6 St. Paul Street, 19th Floor
Baltimore, Maryland 21202-6806

PUBLIC SERVICE COMMISSION

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APR - 2 1996

TELECOMMUNICATION
DIVISION

Re: Case No. 8704 - Maryland Local Number Portability Consortium -
Response to Issues List

Dear Mr. Waldau,

Please accept this letter in response to your request that interested participants provide comments to a list of issues requiring resolution in order that the efforts of the Maryland Consortium on Number Portability may continue expeditiously.

1. Is the permanent LNP solution via LRN more cost beneficial than RCF?

The Telecommunications Act of 1996 ("Act") (251(b)(2)) requires all local exchange carriers to provide permanent service provider number portability as soon as technically feasible and in accordance with Federal Communications Commission rules. In addition, the Act does not require a showing of financial feasibility. When the law was passed, Congress made the decision that permanent number portability solutions were in the public interest as soon as technically feasible as a matter of fundamental public policy. Therefore, discussions of RCF and DID solutions as a potential alternative to permanent LNP solutions are not only a diversion from the Consortium task of implementing permanent number portability, but have been rendered moot by the Act. TCG believes it is therefore unnecessary to analyze the costs versus benefits associated with interim portability arrangements as compared to a permanent solution.

2. Is there a public policy reason for quick implementation of permanent database LNP?

The Act requires permanent number portability as soon as technically feasible. The LRN solution has been thoroughly analyzed by carrier and vendor experts in several states. TCG considers the LRN call model architecture as sufficient to roll out database number portability as soon as it is available from vendors. If additional improvements are made available to LRN, they should be installed after an analysis similar to the process that was used to select LRN. TCG supports implementation of the LRN solution in Maryland as soon as all issues both technical and business related are satisfied. TCG presumes this will be possible by the third quarter of 1997.

3. What is the best public policy concerning permanent LNP cost recovery (e.g., competitive neutrality).

Competitive neutrality would dictate that no carrier pay for upgrades to another carrier's network. Thus, each carrier should fund their own internal costs, as would be the case for any other network upgrade.

The Maryland Commission should further mandate that all internal costs necessary to implement number portability must be recovered without the use of a "number portability" surcharge. Explicit surcharges on customer bills are not "competitively neutral" because they would promote hostility towards competition and could jeopardize the pro-competitive intent of the Act. Shared costs, such as those for third party database administration, should be funded by all carriers in proportion to the number of lines served.

TCG believes there is no need to wait for FCC action on these cost recovery matters. The Maryland Commission may act on Maryland cost recovery issues. If the FCC should make rulings that mandate change to this Commission's order, the Maryland Commission can adjust any established cost recovery policy in order to achieve consistency with the federal standards.

4. What are the benefits, if any, of having a limited liability company ("LLC") issue the RFP, and contract with and supervise the database administrator or number porting administrative center ("NPAC")?

TCG supports the formation of an LLC to issue the RFP and enforce contracts associated with it. It is also essential that all existing and future certified local exchange carriers in Maryland be a member of the LLC, since under the Act all local exchange carriers, both incumbent and competitive, have a duty to provide number portability in accordance with the relevant rules, and therefore all should share in the administration and management of this organization. See Section 251(b)(2). All policy questions regarding the operations and responsibilities of the LLC members must be decided by the Steering Committee.

5. What is the best next course of action for the near term?

TCG supports continuing to solve the issues surrounding implementing permanent number portability in Maryland while awaiting FCC rulings, but respectfully suggests that the Maryland Commission should affirmatively address the following issues in order to provide the participants with certainty regarding the process.

To insure that the continuing work of implementation in Maryland is focused and efficient, it is necessary for the Maryland Commission to approve the call model architecture to be used in Maryland. TCG has stated that LRN is a sufficient solution to use in Maryland. In addition, to minimize potential problems to all carriers, the Commission should also approve the LLC structure before the RFP is released to the industry. This includes mandating what service providers in Maryland must belong to the LLC, as discussed immediately above.

To insure that all carriers understand their economic responsibilities in belonging to the LLC and in participating in a permanent solution, this Commission must rule on cost recovery issues for permanent number portability. TCG has stated its position on this issue in Item 3 above.

The Maryland Commission should generally instruct the Consortium to continue its efforts to solve the outstanding issues. Bell Atlantic-Maryland, Inc. should be instructed to participate in good faith in all

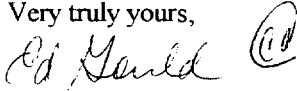
Mr. Geoff Waldau

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activities required to implement permanent number portability in Maryland. The Consortium should use the time available before any FCC rulings to work through the issues so it will be better positioned to adjust to any FCC rulings, if required.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ed Gould", followed by a circled "G" or similar mark.

Ed Gould

Vice President Network Architecture
and Standards



1850 M. Street, N.W., Suite 1100
Washington, DC 20036

March 28, 1996

Via Fax and Overnight Mail

Mr. Geoffrey Waldau
Telecommunications Engineer
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6 St. Paul Street
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PUBLIC SERVICE COMMISSION
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MAR 29 1996

TELECOMMUNICATION
DIVISION

Re: Case No. 8704 - Maryland Local Number Portability Consortium - Response to Issues List

Dear Mr. Waldau:

This letter responds to your March 18, 1996 letter to the members of the Maryland Local Number Portability Consortium ("Consortium"). Your letter requests that interested participants provide a response to a list of issues that require resolution so that the Consortium's efforts may continue. The following provides Sprint Communications Company L.P.'s ("Sprint's") response to the specific questions raised in your letter. It is Sprint's understanding that this letter will be attached to Staff's Second Quarterly Report to the Public Service Commission ("Commission") in the above-referenced proceeding.

1. Is the permanent LNP solution via LRN more cost beneficial than RCF?

There is no question in Sprint's opinion that the permanent local number portability ("LNP") solution via LRN is more cost effective than interim LNP using RCF. RCF is simply an inferior grade of interim LNP and will not promote robust local exchange competition in Maryland to the extent envisioned by Congress in passing the Telecommunications Act of 1996. Section 251 (b)(2) of the Telecommunications Act of 1996 confers the following obligation upon all Local Exchange Carriers, "NUMBER PORTABILITY - The duty to provide, to the extent technically feasible, number portability in accordance with requirements prescribed by the Commission." Therefore, Congress has already determined that local number portability is in the public interest, for many of the same reasons which Staff has identified in the Second Quarterly Report ("Report") to the Commission, pages 24 - 28. As Staff clearly articulates in its Report, many of the benefits of permanent LNP via LRN are qualitative in nature, chief among them is the need to level the competitive playing field between new entrants and incumbent local exchange companies ("LECs") with regard to technological provision of local exchange services. There is no dispute about the inferior aspects of interim RCF, the cost of which is invaluable in the perceptions of the marketplace. Also, given that a significant portion of the costs of LRN

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represent initial one time network and operational support systems costs which can be amortized over a period of years, the true annual cost of deploying permanent LNP via LRN is more manageable. The fact that Bell Atlantic-Maryland, Inc.'s ("BA-MD's") cost of deploying LNP via LRN will benefit the entire Bell Atlantic Region is also another reason why the true cost of deploying LRN in Maryland is less than that contained in the Report. In conclusion, as permanent LNP via LRN becomes technically feasible, the Commission must ensure that the Maryland LECs deploy this technology in a timely fashion.

A. Are there material facts in dispute concerning the costs of permanent LNP in the Staff's Report?

Yes, there are. Staff has identified three main areas of dispute by the parties in compiling the costs of permanent LNP, 1) LNP cost allocation to other Bell Atlantic states, 2) Exclusion of Churn Costs, and 3) Exclusion of tariffed rates paid for interim RCF LNP. Sprint's position on each one of these disputed items is briefly outlined below.

1) LNP Cost Allocation to Other Bell Atlantic States: Sprint agrees with Staff's conclusion that Bell Atlantic's LRN implementation costs should be allocated across all Bell Atlantic region states, because all states will eventually receive the benefit of permanent LNP via LRN. As noted above, all Bell Atlantic Local Exchange Companies have the obligation to provide permanent LNP under the Telecommunications Act of 1996. Although Maryland may be the first Bell Atlantic state to deploy permanent LNP this does not erase the fact that the other Bell Atlantic states will receive some of the benefits, and therefore Staff is correct to allocate systems deployment costs across all Bell Atlantic states. Sprint's cost of LRN deployment, provided in response to Staff's data request, already reflects an allocation of network and operational support systems costs to Maryland, because Sprint expects that every state in the country will receive the benefits of these upgrades as LRN is deployed nationally.

2) Exclusion of Churn Costs: Sprint agrees with Staff's conclusion to exclude the incremental additional churn costs identified by BA-MD to be associated with LRN versus RCF. The fact that BA-MD itself has identified a potential of 50% - 75% more competition through LRN as compared to RCF is testimony enough to the societal benefits of permanent LNP via LRN. However, it is wholly inappropriate for BA-MD to suggest that this additional cost associated with customer "churn" (i.e., customers electing to switch local service providers while retaining their local numbers) under LRN is a cost of deployment and is completely absurd. If anything, this additional "churn" should be viewed as an additional societal benefit associated with LRN. To the extent BA-MD experiences more "churn" under LRN than RCF this is nothing more than the cost of competition in a competitive local service market. It should be remembered that BA-MD gained significant advantages through the Telecommunications Act of 1996, (i.e., it has freedom from the Modified Final Judgement which has been set aside, it has the right to enter the interexchange business, the right to begin manufacturing telecommunications equipment, and

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the ability to enter certain cable television markets). The cost of competition or "churn" in the local service market is not a cost of LRN, however, it is simply the cost of doing business in a competitive marketplace. Sprint has not reflected any costs associated with "churn" in the estimates which it has provided in response to Staff's data request.

3) Exclusion of Tariffed Rates Paid for Interim RCF LNP: Sprint does not agree completely with Staff's conclusion to exclude these additional costs borne by the new entrants, whom, but for the presence of RCF, would be the recipients of additional access charge revenues. Instead of excluding these costs associated with RCF, Sprint believes that they should be added to BA-MD's costs of providing RCF, because these costs reflect a true flow of money away from the new entrants to BA-MD under RCF. In reality this arrangement actually gives BA-MD a cost recovery mechanism for recouping a portion of its RCF deployment costs.

1. **For the cost analysis, should Bell Atlantic's costs be spread to all Bell Atlantic States?**

Yes. See the response above.

2. **Should incremental churn costs (customer service costs to process orders) be included?**

No. See the response above.

- B. **Are there material facts in dispute concerning the benefits of permanent LNP (or deficiencies of RCF) in the Staff's report?**

No, there is no dispute in the industry that interim RCF is an inferior form of LNP as compared to permanent LNP via LRN.

1. **Should "avoided RCF costs" include CLEC and BA-MD's RCF costs plus tariffed rates paid by CLECs to BA-MD?**

Yes. See the response above.

- C. **Is a hearing necessary for the Commission to make a decision on the cost-benefits of permanent LNP?**

A hearing is not necessary for the Commission to make a decision on the cost-benefits of permanent LNP. Section 251(b)(2) of the Telecommunications Act of 1996 requires all local exchange carriers to provide local number portability, to the extent technically feasible. The Act does not condition the offering of local number portability upon a showing of a cost/benefit

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justification. In fact, the Act suggests that LNP is in the public interest by requiring all local exchange carriers to provide LNP. Furthermore, a hearing at this stage of the process would unnecessarily delay the implementation of LNP in Maryland

D. Should the Maryland Commission require that all carriers operating in Maryland (local and inter-exchange) provide (or procure) permanent local number portability capability and offer this to their customers?

The Commission should condition the granting of a Certificate of Public Convenience and Necessity ("CPCN") for the provision of local exchange services in Maryland upon a carrier's provision of permanent LNP via LRN. This will allow the porting of all customers' numbers to the customers' carrier of choice. There is no need to require non-local carriers to provide permanent LNP, at this time, because these carriers are not Local Exchange Carriers under the Telecommunications Act of 1996. However, all carriers must be given access to the LNP database so that they can route terminating customer traffic to the correct location in the network. The Commission should ensure that this access is available by requiring all Maryland local exchange carriers to provide access to routing information contained in the LRN data base to any carrier desiring to terminate traffic in Maryland. This routing information will be provided in a nondiscriminatory manner at the same price, terms, and conditions as available to the local exchange carriers themselves.

2. Is there a sound public policy reason for quick implementation of permanent database LNP?

The most significant public policy reason for quick implementation of permanent database LNP is to encourage full and effective local exchange competition in Maryland for all consumers to enjoy. It is well known that interim local number portability solutions are inferior and will not offer customers of competitive local exchange carriers the same quality of service as is provided to customers of BA-MD. The sooner permanent database LNP is implemented, the sooner all Maryland consumers will be able to reap the benefits of true competition in the local telecommunications market.

A. Should the Commission require implementation of LRN by 3rd Quarter 1997?

Yes. The Commission should require implementation of LRN by third quarter 1997. At this juncture, the Consortium has sound reasons to believe that the attendant network systems and software will be available from the vendors such that permanent LNP via LRN will be technically feasible by the third quarter of 1997.

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- B. Should the Commission require BA-MD to implement the technical strategy developed by the Illinois Workshop by 3rd Quarter 1997 or wait for an alternative technical strategy from Bellcore (e.g., with look ahead capability, single standard platform and trigger) which may take longer and may cost less?**

Yes, the Commission should adopt Staff's recommendation as contained in the Report to quickly proceed with the deployment of permanent LNP in Maryland by adopting the Illinois Workshop's strategy for LNP. If Bellcore can discover an enhancement to LRN then by all means this modification should be considered by the Consortium when it is developed. BA-MD should not posture this concern as yet another excuse to delay the implementation of permanent LNP in Maryland.

- C. What is the range of the likely or forecasted costs-benefits and timing of the Bellcore alternative technical strategy?**

To Sprint's knowledge, these estimates do not presently exist, or to the extent they do exist, they have not been shared with the industry. Sprint agrees with Staff's conclusion in the Report however, that "Considering an upper bound on savings, these do not outweigh the benefits of quicker deployment of permanent LNP and the benefits that competitive neutrality will have on the Maryland market." The primary issue at stake in this debate is that because BA-MD was given the authorization to implement the overlay NPA relief plan based largely upon the promise of permanent LNP in approximately the same time frame, the Commission cannot now allow BA-MD to delay the promise of LNP while going forward with the overlay NPA relief plan which will negatively impact the new entrants in the local exchange. Permanent LNP via LRN will neutralize the negative effects of the overlay NPA relief plan as well as level the competitive local playing field for new entrants. These benefits far outweigh any perceived inefficiency by BA-MD associated with timely deployment of LNP in the third quarter of 1997. RCF, on the other hand, will not allow the new entrants the opportunity to overcome the barriers to entry manifest in the overlay plan without LNP and the reliance upon RCF while delaying implementation of LNP.

- D. Should an alternative technical strategy proposed by Bellcore be considered and approved by the majority of carriers in the Maryland Consortium or be implemented and timed solely at the option of Bell Atlantic?**

Every decision made concerning LNP to date has been arrived at through the Commission established Consortium process, and Sprint does not see any reason to discontinue the decision by consensus approach to MD LNP. BA-MD can be expected to delay LNP if left unchecked to its own devices, however, this would not be in the public interest of Maryland consumers.

- 3. What is the best public policy concerning permanent LNP cost recovery (e.g.,**

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competitive neutrality)?

Sprint supports Staff's proposal to recover NPAC costs in a broad based competitively neutral manner. All carriers including LECs, CLECs, IXCs, Resellers of local and long-distance services, and wireless companies will be required to contribute to paying NPAC costs. Contributions will be competitively neutral based on each carrier's revenues (inter-state, intra-state) generated from Maryland.

A. Should CLECs pay for BA-MD's permanent LNP costs via a Competitor Charge (CC) of \$36-\$275 per line per month or some other charge?

All carriers should absorb their own costs of network and operational systems enhancements to provide LNP in Maryland. The only shared cost of providing LNP is the NPAC database costs which have been addressed in the previous response. All carriers as well as their customers will benefit from permanent LNP deployment, and, therefore, the cost of providing this benefit to the public should be absorbed by the individual carriers. Should a carrier need to seek recovery of its own network and systems costs, it should be free to propose to the Commission the establishment of end user charges to recover these costs. This is the only way the Commission can ensure that the expenditures incurred by each carrier will be handled in a competitively efficient manner.

B. Should the Commission require broad-based cost recovery (i.e., all carriers to pay for their own permanent LNP network, operating costs and a portion of the shared NPAC costs and recover these from their own customers if they choose)?

Yes. See the response to the last two questions.

1. Should NPAC costs be allocated to carriers based on local market share, the number of transactions with the NPAC, or some other measure?

Sprint supports allocation of the NPAC shared database costs to all Maryland carriers based upon proportionate intrastate Maryland operating revenues. All carriers will be free to terminate traffic to Maryland end users which have ported a number to an alternative local company and thus should be required to share in the costs of the NPAC function.

C. When should the Maryland Commission rule on the method and amounts for any BA-MD permanent LNP cost recovery (e.g., now, after May FCC ruling assuming it is substantive, in conjunction with Case 8715?)

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The Commission should adopt the shared cost recovery of the NPAC costs based upon revenues at this time, prior to the release of the MD LNP Request for Proposals ("RFP"). The Commission should not adopt a rule on BA-MD's own network and systems cost recovery until such time as BA-MD elects to seek recovery from its end users for these cost components at a later date, i.e., after the actual amount of these costs becomes known.

4. What are the benefits, if any, of having a limited liability company issue the RFP, and contract with and supervise the database administrator or number porting administration center (NPAC)?

An initial question that was raised by the Consortium was who will issue the RFP and enter into contracts with the winning bidder. It was understood that the Commission would not perform these functions, and no carrier expressed an interest in allowing one of its competitors the exclusive right to do so. After considering the options, the Legal Committee recommended that, if a separate legal entity were to be formed to carry out these responsibilities, the preferred type of entity would be a limited liability company ("LLC"). The LLC was chosen for several reasons, including, (1) an LLC has a certain degree of flexibility in terms of how it operates, distinct from certain rigid requirements for corporations or partnerships; (2) an LLC will shield the member carriers from potential contract liability; and (3) having the LLC issue the RFP and select the winning bid will avoid the appearance of self-dealing, in that some members of the Consortium may participate in drafting the RFP and submit bids on the RFP. The LLC would also have the responsibility of overseeing the NPAC and ensuring that the NPAC complies with its contractual obligations.

A. Can and should the Commission require BA-MD, or any carrier, to be a member of an LLC?

The Commission should require BA-MD, as well as all Maryland certificated local exchange carriers, to become members of the LLC. To the extent that the Commission retains regulatory authority over these companies, the Commission may impose such a requirement that is in the public interest. Membership should also be open to any other carriers that wish to port numbers. The ability of a carrier to port numbers and receive services from the NPAC should be contingent on membership in the LLC, in order to maintain the NPAC's exclusive right to provide local number porting services in Maryland. This requirement is also necessary in order for the NPAC to maintain cost controls on the use of the system and to ensure that all carriers are covering their fair share of the costs of the system.

Sprint also supports Staff's recommendation that the seven carriers that have participated in the Consortium should be invited to join the LLC as voting members. These carriers are BA-MD, AT&T, MCI, Sprint, TCG, MFS and Cellular One. Also, as before, the Commission should require that the routing information contained in the NPAC database be made available to all

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carriers terminating traffic in Maryland at the same rates, terms, and conditions as available to the LLC member companies. This will ensure that non-LEC/CLECs which do not port numbers in Maryland will nevertheless be given access to the routing information they need to complete calls to ported numbers in Maryland without actually needing to join the LLC.

- B. If an LLC is formed, should the Commission be the final level for breaking deadlocks (if Staff is already involved in resolving deadlocks at a lower level within the LLC)?**

Sprint recommends that the level of Commission involvement should be minimal, as carriers should be able to resolve most issues within the LLC. Staff's participation in the LLC should be beneficial in addressing some disputes within the LLC. Nonetheless, the Commission may be asked to resolve certain significant issues that the LLC cannot resolve. Carriers should not be allowed to go to the Commission for every issue that is not resolved by the LLC in that carrier's favor. Therefore, Sprint suggests that the Commission direct the LLC to carry out the functions it has been tasked to perform, leaving only discrete issues of significant importance for Commission resolution. However, it is generally understood that any carrier subject to the Commission's regulation is free to bring any issue of significance to the Commission's attention for resolution in the normal course of business.

5. What is the best next course of action for the near term?

- A. Should the Maryland Commission issue a ruling before the FCC ruling due in May 1996?**

The Commission should issue a ruling on the issues addressed in the Report before the Federal Communications Commission ("FCC") issues its May 1996 decision. The FCC's May 1996 ruling on long-term local number portability will likely contain broad goals and principles that the states must adopt in implementing LNP. It is very unlikely that the FCC's May 1996 ruling will be of sufficient detail such that state commissions will not have a role in implementing state-specific LNP systems. Furthermore, if the Commission waits for an FCC ruling, implementation of LNP will be unnecessarily delayed. On the contrary, the Consortium should be encouraged to proceed with its efforts and conform its direction with the FCC's ruling when that time comes.

- B. Should the Consortium continue developing and implementing permanent database LNP or wait for the Maryland Commission to rule? Which activities should continue and which, if any, should wait?**

The Consortium should continue developing and implementing permanent database LNP, unless otherwise instructed by the Commission. The efforts in each of the Consortium

Mr. Geoffrey Waldau

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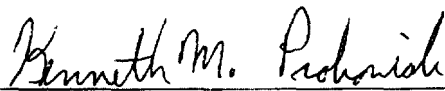
committees should continue, as further discussed below

C. Should technical personnel continue working within the Maryland Consortium technical committees to implement LRN by 3rd Quarter 1997 until the Maryland Commission issues an Order?

The Commission should instruct the Consortium to continue its efforts in developing and implementing a long-term local number portability solution. Also, BA-MD should be instructed to continue its participation in the technical committees, because BA-MD has exclusive knowledge of certain aspects of the public switched network. There are a host of technical and operational issues that must be worked out if LNP is to be implemented, and, as previously discussed, it is very unlikely that the FCC's May 1996 ruling will address these types of implementation issues in any significant detail. The Consortium should utilize the time between now and the FCC's ruling to work out the issues that it now faces, so that it will be in the best position to fully implement LNP when the FCC issues its ruling.

The Commission has taken great strides in setting telecommunications policy regarding local exchange competition, and Sprint encourages the Commission to continue this effort in the most efficient and effective manner. This can be done by directing the Consortium to continue working towards developing and implementing a permanent database LNP solution. Once the FCC issues its May 1996 ruling, the Consortium will conform its efforts to those requirements.

Very truly yours,



Kenneth Prohoniak
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**Staff's Second Quarterly Report on the
Maryland Local Number Portability Consortium**

Appendix 7

**TELECOMMUNICATIONS DIVISION
CASE NO. 8704
STAFF DATA REQUEST NO. 1**

**to
AT&T (CSG Local)
AT&T (CSG Long Distance)
MCI metro
MCI Telecommunications
Sprint
MFS- Intelenet
MFS Communications
Teleport Communications Group
Armstrong Telephone Company
Bell Atlantic- Maryland**

February 8, 1995

1. Provide the incremental costs of your network upgrades necessary to support LRN permanent local number portability in Maryland. Provide these for the options/scenarios and in the format as described in the attached cost estimation framework section.
2. Provide a comparison of the relative costs and benefits of permanent local number portability versus interim local number (RCF) portability. What RCF costs are avoided if permanent LNP is implemented? What additional benefits are obtained?
3. Provide the names (telephone and fax number) of the person(s) that will prepare the response to this data request so that Staff can provide them with the framework when available (e.g., assumptions to be used, options to be costed) and call them directly with any questions. These persons should be available for individual calls on Feb. 26-27 and for a conference call on Feb. 28.

Responses will be treated as Proprietary Information and will only be provided to Staff and/or the Maryland Commission.

**QUESTIONS CONCERNING THIS DATA REQUEST SHOULD BE DIRECTED
TO GEOFF WALDAU, MARYLAND PSC (410) 767-8104 or GARY SACRA,
BELL ATLANTIC-MARYLAND (301) 236-7035.**

The attached economic evaluation matrices should be used by each Service Provider in the state for the State Local Number Portability Cost Data Request. The matrices are subject to the following assumptions:

1. Only total broad category costs - 1) Total Network hardware & software including switch, SCP, SS7 Infrastructure and Operator Services, and 2) Operations Support Systems and carrier owned SMS, and 3) NPAC SMS (it is not necessary for you to provide cost - PSC Staff will obtain under proprietary seal from potential contractors) - will be made public to the Consortium. Proprietary information will not be shared with the Consortium.
2. Costs should be determined for individual network items (e.g. DMS100, 5ESS, signaling, SCP, etc.), but these details will only be shared with the PSC Staff. Supporting vendor/internal documentation for the cost of each item and any underlying assumptions (e.g. shared costs for OSSs) should be provided to the Staff for each category on the matrices. Each of these cost items in the matrix should include both hardware and software costs and should be identified separately.
3. Target implementation start date for Service Provider Number Portability will be _____.
4. Implementation will take x years.
5. Implementation rollout schedule to be determined.
6. 100% of switches are donor switches and 100% of NPA-NXXs are portable.
7. Current SS7 deployment costs are not to be included unless required (incremental) as a result of Number Portability.
8. The implementation costs of a required network capability (e.g. AIN or IN) for a given proposal are to be included and noted separately if the capability is not currently scheduled to be added.
9. Only the specific state costs, appropriately allocated, should be included.
10. Discount rate = 10%.
11. Recurring costs are the actual expensed cost for that year. These costs will be carried out for a period of x years and included in the Net Present Value Total in the Summary Matrix.

Costs to coincide with implementation schedule.

12. Number of Access Lines in the specific state.

13. Growth rate in the specific state.

14. Penetration rate will be x % of Access lines (y % ported number customers and z % new number customers).

Of the x % penetration, w % will go to each of the local carriers.

PLEASE NOTE: THESE PENETRATION RATES ARE ILLUSTRATIVE IN NATURE IN ORDER TO PROVIDE CONSISTENT RESPONSES TO THE PSC DATA REQUEST. THEY ARE BY NO MEANS AN ACTUAL FORECAST.

15. Busy Hour originating intraLATA interoffice call rate is ____ calls per Access Line (these calls require an LNP query).

16. Additional queries due to undipped incoming cellular and IXC-handled calls will be x % of the total originating intraLATA interoffice queries (this is for incumbent LEC link and database sizing).

17. Market penetration for Remote Call Forwarding Local Number Portability is x %.

PLEASE NOTE: THESE PENETRATION RATES ARE ILLUSTRATIVE IN NATURE IN ORDER TO PROVIDE CONSISTENT RESPONSES TO THE PSC DATA REQUEST. THEY ARE BY NO MEANS AN ACTUAL FORECAST

18. 56 Kbit/sec A-links are deployed in pairs and are engineered at 8 erlangs for the pair.

19. Each database dip generates one TCAP query and one TCAP response.

20. Each TCAP query and response average ____ octets each.